

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1971
ANSWERED ON:26.07.2002
CREDIBILITY OF UNIT TRUST OF INDIA
RASA SINGH RAWAT

Will the Minister of FINANCE be pleased to state:

- (a) the reasons for losing the creditability of the Unit Trust of India; and
- (b) the steps taken by the Government so far to restore its credibility and authenticity?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

- (a) Overall credibility of UTI has not been adversely affected because UTI has intimated that its NAV based schemes have performed well in a very competitive market and inflows into these schemes reflect continuing investors' support.
- (b) Government announced a financial package for US-64 on 28.12.01. As a part of the financial package, UTI was asked to implement time-bound reforms based on the recommendations of the various expert Committees including Tarapore Committee. Further, Expert Committees have recommended amendments to the UTI Act. In these regard, appropriate actions have been initiated by UTI and the Government.